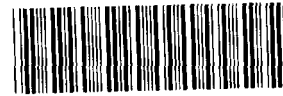


UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 11-K



05059680

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d)  
OF THE SECURITIES EXCHANGE ACT OF 1934 (NO FEE REQUIRED)

For the fiscal year ended December 31, 2004

Commission File Number 1-9700

A. Full title and Address of the Plan:

SCHWABPLAN RETIREMENT SAVINGS  
AND INVESTMENT PLAN  
101 Montgomery Street  
San Francisco, CA 94104

B. Name of issuer of the securities held pursuant to the Plan and the address of its principal executive office:

THE CHARLES SCHWAB CORPORATION  
120 Kearny Street  
San Francisco, CA 94108

PROCESSED

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FINANCIAL

## REQUIRED INFORMATION

The SchwabPlan Retirement Savings and Investment Plan is subject to the Employee Retirement Income Security Act of 1974 ("ERISA"). Therefore, in lieu of the Requirements of Items 1-3 of Form 11-K, the financial statements and schedules of the Plan for the two fiscal years ended December 31, 2004 and 2003, which have been prepared in accordance with the financial reporting requirements of ERISA, are attached hereto as Appendix 1 and incorporated herein.

## EXHIBITS

The consent of Deloitte & Touche LLP is attached hereto as Exhibit 23.1.

## SIGNATURE

*The Plan.* Pursuant to the requirements of the Securities Exchange Act of 1934, the Administrative Committee of the SchwabPlan Retirement Savings and Investment Plan has duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

### SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

Date: June 29, 2005

By: Jan Hier-King  
Jan Hier-King  
Chairman of Employee Benefits  
Administrative Committee



Exhibit 23.1

Deloitte & Touche LLP  
50 Fremont Street  
San Francisco, CA 94105-2230  
USA

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Fax: +1 415 783 4329  
[www.deloitte.com](http://www.deloitte.com)

## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement No. 333-44793 and 333-71322 of the Charles Schwab Corporation on Form S-8 of our report dated June 29, 2005 appearing in this Annual Report on Form 11-K of the SchwabPlan Retirement and Investment Plan for the year ended December 31, 2004.

*Deloitte & Touche LLP*

June 29, 2005

# ***SchwabPlan Retirement Savings and Investment Plan***

*Financial Statements as of and for the Years Ended  
December 31, 2004 and 2003, Supplemental  
Schedule as of December 31, 2004 and Report of  
Independent Registered Public Accounting Firm*

# **SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN**

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.



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## REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Employee Benefits Administrative Committee and Participants of the  
SchwabPlan Retirement Savings and Investment Plan:

We have audited the accompanying statements of net assets available for benefits of the SchwabPlan Retirement Savings and Investment Plan (the "Plan") as of December 31, 2004 and 2003, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Plan is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designating audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2004 and 2003, and the changes in net assets available for benefits for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This schedule is the responsibility of the Plan's management. Such schedule has been subjected to the auditing procedures applied in our audit of the basic 2004 financial statements and, in our opinion, is fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

*Deloitte & Touche LLP*

June 29, 2005

# SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

## STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS DECEMBER 31, 2004 AND 2003

	2004	2003
ASSETS:		
Investments:		
Common stock of The Charles Schwab Corporation	\$ 688,416,486	\$ 661,620,281
Mutual funds	599,520,119	477,122,199
Money market funds	94,654,516	87,023,431
Self-directed brokerage accounts	236,838,451	70,625,444
Collective trust funds	11,167,229	-
Participant notes receivable	35,672,175	35,526,924
Total investments	<u>1,666,268,976</u>	<u>1,331,918,279</u>
Receivables:		
Employer contributions	48,984,593	3,446,519
Accrued dividends and interest	157,739	127,100
Due from broker for investments sold	<u>5,311,622</u>	<u>5,005,924</u>
Total receivables	<u>54,453,954</u>	<u>8,579,543</u>
Total assets	1,720,722,930	1,340,497,822
LIABILITIES:		
Due to broker for investments purchased	<u>3,972,217</u>	<u>4,851,135</u>
NET ASSETS AVAILABLE FOR BENEFITS	<u>\$1,716,750,713</u>	<u>\$1,335,646,687</u>

See notes to financial statements.

# SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

## STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS YEARS ENDED DECEMBER 31, 2004 AND 2003

	2004	2003
ADDITIONS TO NET ASSETS AVAILABLE FOR BENEFITS:		
Investment income (loss):		
Dividends and interest	\$ 27,913,773	\$ 15,124,550
Net appreciation (depreciation) in fair value of investments:		
Common stock of The Charles Schwab Corporation	(11,221,146)	56,308,455
Mutual funds and other investments	52,631,324	99,143,708
Self-directed brokerage accounts	13,204,791	7,835,711
Total investment income	82,528,742	178,412,424
Contributions:		
Employer contributions—net of forfeitures	48,984,593	3,446,519
Participants' salary deferral and rollover	107,264,306	84,300,805
Total contributions	156,248,899	87,747,324
Transfer of U.S.Trust Corporation 401(k) plan assets into Plan	304,112,118	-
Total additions to net assets available for benefits	542,889,759	266,159,748
DEDUCTIONS FROM NET ASSETS AVAILABLE FOR BENEFITS:		
Distributions to participants	(161,785,733)	(142,412,067)
INCREASE IN NET ASSETS	381,104,026	123,747,681
NET ASSETS AVAILABLE FOR BENEFITS:		
Beginning of year	1,335,646,687	1,211,899,006
End of year	\$1,716,750,713	\$1,335,646,687

See notes to financial statements.



# SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN

## NOTES TO FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2004 AND 2003

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### 1. PLAN DESCRIPTION

The following description of the SchwabPlan Retirement Savings and Investment Plan (the Plan), which describes the terms of the Plan as of December 31, 2004, provides only general information. Participants should refer to the Plan Document for a more complete description of the Plan's provisions.

The Plan is a 401(k) deferral program sponsored by The Charles Schwab Corporation (CSC) and covers substantially all employees of CSC and participating affiliates.

The Charles Schwab Trust Company (CSTC), a subsidiary of CSC, serves as trustee of the Plan. A purchasing agent, designated by CSTC, acts as the agent of CSTC with respect to purchases and sales of the CSC common stock held by the Plan.

Effective January 1, 2004, the Plan and the U.S. Trust Corporation 401(k) plan merged, and all participants in the U.S. Trust Corporation 401(k) plan were immediately eligible to participate in the Plan. Participant accounts in the U.S. Trust Corporation 401(k) plan with a value of \$304 million were transferred to the Plan on March 1, 2004.

**401(k) Salary Deferral Program**—Eligible employees may participate in the 401(k) salary deferral program on the first day of the fourth calendar month following their dates of hire (or, in the case of eligible employees whose service commences on the first day or business day of a month, the first day of the third calendar month following their commencement of service). Participants may elect to have up to 50 percent of their eligible compensation contributed directly to the Plan, not to exceed the maximum amount determined by the Internal Revenue Code. Such contributions are not currently taxable to participants and can be matched by an employer contribution (Basic Match) equal to 200 percent of the first \$250 of salary deferred plus 100 percent of salary deferred thereafter, up to a maximum of 5 percent of eligible compensation. The Plan also permits eligible participants who will reach age 50 or higher before the end of the Plan Year to make catch-up contributions up to 50% of their eligible compensation, in accordance with, and subject to the limitations of, section 414(v) of the Internal Revenue Code. Catch-up contributions are not eligible for the Basic Match. In 2003, CSC did not provide a Basic Match due to unfavorable business conditions. The Basic Match contribution was provided for in 2004.

At the discretion of CSC, an additional contribution (Profit Contribution) based on company performance may also be made. For the year 2003, CSC made a discretionary \$400 Profit Contribution to each of the employees who earned \$75,000 or less in eligible compensation. No Profit Contribution was made for 2004.

CSC's contributions are made in the first quarter for the preceding year. Participants must be an eligible employee on the last workday of the year to receive any Basic Match or Profit Contribution. However, if a participant terminates employment during the year due to death, retirement or disability as defined in the Plan, the participant is eligible for the Profit Contribution, if one is made. The allocation will be based on eligible compensation while a participant during the plan year.

**Participant Accounts**—Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution, the Basic Match, and the Profit Contribution. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

**Investment Options**—Participants have 13 core investment options in three general investment categories: money market instruments, stocks, and bonds.

In August 2004, CSC added the Target Retirement Funds, which are a set of collective trust funds offered through CSTC – Schwab Managed Retirement Trust Funds™. Each fund is diversified across multiple asset classes, including large-cap equities, small-cap equities, international equities, fixed income, stable value and money market. These funds are designed to provide a single investment solution that is adjusted over time to meet participants' changing risks and return objectives as they near retirement.

In April 2003, CSC added a self-directed brokerage account investment alternative called Schwab Personal Choice Retirement Account® (PCRA), which offers participants additional investment choices beyond the core investment options available. CSC participants pay a discounted \$50 annual fee for maintaining a PCRA, and are responsible for paying trading fees and commissions in their PCRA. PCRA investments are regulated by the Employee Retirement Income Security Act of 1974 (ERISA), and CSC policies. Participants may choose to invest all or part of their Plan balance in the PCRA.

Participants may invest their 401(k) contributions or rebalance their accounts in any or all of these options in increments of 1 percent.

**Participant Notes Receivable**—Participants may borrow a minimum of \$1,000 up to a maximum of 50 percent from their 401(k) account balances or \$50,000, whichever is less. Loan terms may not exceed 5 years (or 15 years for the purchase of a primary residence). A loan is secured by the balance in the participant's account and bears interest at a rate equal to the prime rate at the time the loan application is made plus 1 percent. Principal and interest are paid ratably through payroll deductions. Loan payoffs can be made with no prepayment penalties.

**Vesting**—Participants are immediately vested in their 401(k) contributions, rollovers, Basic Match and actual earnings thereon. Participants are fully vested in the value of any discretionary Profit Contribution after four years of service. A year of service is defined as a calendar year during which the participant has completed at least 1,000 hours of service.

**Distributions**—A participant is entitled to receive a distribution of the vested portion of his or her account upon termination of employment for any reason, including on account of death, disability or retirement. Distributions may be made only in the form of a single lump sum, unless the participant is receiving a minimum required distribution. Distributions are also available in the event of certain defined events constituting financial hardship and upon meeting specific criteria. The Plan also allows a terminating participant to receive a distribution in kind to a Charles Schwab & Co., Inc. brokerage account, in the form of mutual fund shares, instead of cash, and permits a terminating participant to elect to receive, in cash, the value of his or her account in the 401(k) and profit sharing components that had been invested in the CSC stock fund.

**Forfeitures**—Participants forfeit any nonvested portion of their discretionary Profit Contribution if the participant terminates employment for any reason other than death, disability or retirement. Retirement is defined as the earlier of age 50 with seven years of service or age 65. Forfeitures arising during the

plan year are generally used to reduce the amount of the employer contribution for that year. The forfeited amount may be restored if the participant is rehired, depending upon the circumstances.

**Administrative Expenses**—The Plan Document provides for payment of professional fees and other administrative expenses by the Plan, but permits such expenses to be paid by CSC. During 2004 and 2003, substantially all such fees and expenses were paid by CSC. Certain administrative functions are performed by officers or employees of CSC. No such officer or employee receives compensation from the Plan.

**Termination of Plan**—CSC has the right under the Plan Document to discontinue its contributions at any time or to terminate the Plan, subject to the provisions of the Internal Revenue Code. CSC has not expressed any intent to terminate the Plan. In the event that the Plan is terminated, affected participants' account balances will become fully vested and will be distributed.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Accounting**—The financial statements are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Investments are generally stated at fair value. Shares of mutual funds are valued at the quoted net asset value of shares held by the Plan at year end. Investments held in a PCRA are valued at quoted market values at year end. Participant notes receivable are valued at cost, which approximates fair value.

Purchases and sales of securities are recorded on a trade date basis. Dividends are recorded on the ex-dividend date. Interest income is recorded on the accrual basis. Distributions and benefits are recorded when paid or at the time of in-kind distribution.

**Use of Estimates**—The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates.

The investment options of the Plan are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment options, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the financial statements.

## **3. TAX STATUS**

The Internal Revenue Service has determined, and informed CSC by letters dated May 9, 2002 and October 30, 2002, that the Plan (which has been subsequently amended) and related trust are designed in accordance with, and are currently being operated in compliance with, applicable sections of the Internal Revenue Code (IRC) as of December 31, 2004. Therefore, no provision for income taxes has been included in the Plan's financial statements.

## **4. ADMINISTRATION OF PLAN ASSETS**

The Plan's assets, including CSC common shares, are held in trust by CSTC. The dividend income earned on the CSC common shares held by the Plan was \$4,450,063 and \$2,950,794 for 2004 and 2003, respectively.

CSC contributions are held by CSTC, which invests cash received, interest, and dividend income and makes distributions to participants in shares or cash value, as directed by the participants.

Certain administrative functions are performed by officers or employees of CSC or its subsidiaries. No such officer or employee receives compensation from the Plan. Substantially all administrative expenses for CSTC's fees are paid directly by CSC.

## 5. INVESTMENTS

The following presents investments that represent 5 percent or more of the Plan's net assets available for benefits:

	December 31,	
	2004	2003
Common stock of The Charles Schwab Corporation— 57,580,374 and 55,868,605 shares, respectively	\$ 688,416,486	\$ 661,620,281
Dodge & Cox Stock Fund—1,079,158 and 814,724 shares, respectively	140,527,999	92,699,311
Schwab 1000 Fund—3,238,392 and 3,117,210 shares, respectively	111,983,597	98,597,361
Schwab Value Advantage Money Fund—90,917,627 and 82,866,739 shares, respectively	90,917,627	82,866,739

\* \* \* \* \*

**SCHWABPLAN RETIREMENT SAVINGS AND INVESTMENT PLAN**  
**(EIN: 94-1737782; PN 002)**

FORM 5500, SCHEDULE H, PART IV, LINE 4i—  
 SCHEDULE OF ASSETS (HELD AT END OF YEAR)  
 DECEMBER 31, 2004

(a)	(b)	(c)	(d)	(e)
	Identity of Issue	Shares or Par Value	Cost	Current Value
*	COMMON STOCK OF THE CHARLES SCHWAB CORPORATION	57,580,374	\$ 474,867,573	\$ 688,416,486
	SCHWAB VALUE ADVANTAGE MONEY FUND®**	90,917,627	90,917,627	90,917,627
	INVESTORS BANK & TRUST INVESTCASH MONEY MARKET	3,736,889	3,736,889	3,736,889
*	PARTICIPANT NOTES RECEIVABLE: Interest rates ranging from 4.75 percent to 10.50 percent	-	35,672,175	35,672,175
	SELF-DIRECTED BROKERAGE ACCOUNTS	-	221,291,211	236,838,451
	COLLECTIVE TRUST FUNDS**	780,806	10,449,930	11,167,229
	MUTUAL FUNDS:			
	Dodge & Cox Stock Fund	1,079,158	115,780,494	140,527,999
	Schwab 1000 Fund®**	3,238,392	98,726,691	111,983,597
	Janus Fund	2,473,544	61,751,885	60,774,986
	Royce Opportunity Fund	3,961,133	45,272,639	52,722,682
	Europacific Growth Fund	1,309,870	37,920,038	46,670,657
	PIMCO Total Return Fund	4,061,907	43,703,598	43,340,549
	Rainer Small/Mid Cap Equity Instl Class	1,375,646	30,395,777	40,223,877
	Schwab Small-Cap Index Fund®**	1,746,781	29,973,127	38,726,126
	Schwab International Index Fund®**	1,883,122	25,268,754	30,280,602
	GE Instl Strategic Investment Fund	1,589,165	16,152,485	17,496,707
	Schwab Short-term Bond Market Fund®**	1,655,709	16,793,341	16,772,337
	Total mutual funds		521,738,829	599,520,119
	TOTAL		\$ 1,358,674,234	\$ 1,666,268,976

\* A party in interest as defined by ERISA.

\*\* Managed by a party in interest as defined by ERISA